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An Act To Amend the Laws Governing Spending by School Administrative Units

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 20-A MRSA c. 103-B is enacted to read:

CHAPTER 103-B

school administrative units

§ 1551. Budget validation referendum

Notwithstanding the provisions of section 1486, subsection 3, paragraph G, if a school budget exceeds the maximum state and local spending target pursuant to section 15671-A, subsection 5, the article to be voted on for a budget that includes locally raised funds over and above the school administrative unit's local contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act must be in the following form:

"Do you favor approving the (name of school administrative unit) budget for the upcoming school year that was adopted at the latest (name of school administrative unit) budget meeting and that includes locally raised funds that exceed last year's budget by% and the required local contribution as described in the Essential Programs and Services Funding Act?"

Yes No

A YES vote allows additional funds to be raised for K-12 public education.

A NO vote means additional funds cannot be raised for K-12 public education."

Sec. 2. 20-A MRSA §15671-A, sub-§5, as amended by PL 2005, c. 519, Pt. AAAA, §2, is further amended to read:

5. Exceeding maximum state and local spending target. If the sum of a school administrative unit's required local contribution determined pursuant to section 15688, subsection 3-A plus the state contribution as calculated pursuant to section 15688, subsection 3-A, paragraph D, plus any state funds resulting from a transition adjustment pursuant to section 15686, plus any additional local amount proposed to be raised pursuant to section 15690, subsection 3 exceeds the school administrative unit's maximum state and local spending target established pursuant to subsection 4, the following provisions govern approval of that additional amount.

A. The article approving the additional amount must conform to the requirements of section 15690, subsection 3, paragraph B. Notwithstanding section 1304, subsection 6; section 1701, subsection 7; Title 30-A, section 2528, subsection 5, or any other provision of law, municipal charter provision or

ordinance, voter approval of the article, whether in town meeting, district meeting or other voting process established by law, municipal charter or ordinance, including, but not limited to, any vote on the article initiated by voter petition, must be by referendum or written ballot.

B. In a municipality where the responsibility for final adoption of the school budget is vested by the municipal charter in a council, this paragraph applies, except that the petition and referendum provisions apply only if the municipal charter does not otherwise provide for or prohibit a petition and referendum process with respect to the matters described in this paragraph.

(1) A majority of the entire membership of the school board or committee must approve the additional amount in a regular budget meeting.

(2) An article approving the additional amount must conform to the requirements of section 15690, subsection 3, paragraph B and be approved by a majority of the entire membership of the council in a vote taken in accordance with section 15690, subsection 5 or, if the council votes not to approve the article, by a majority of voters voting in a referendum called pursuant to subparagraph (4).

(3) If an article is approved by the council pursuant to subparagraph (2), the voters may petition for a referendum vote on the same article in accordance with subparagraph (4). If a petition is filed in accordance with subparagraph (4), the vote of the council is suspended pending the outcome of the referendum vote. Upon approval of the article by a majority of the voters voting in that referendum, the article takes effect. If the article is not approved by a majority of the voters voting in that referendum, the article does not take effect. Subsequent to the vote, the school committee or board may again propose an additional amount, subject to the requirements of this section.

(4) If a written petition, signed by at least 10% of the number of voters voting in the last gubernatorial election in the municipality, requesting a vote on the additional amount is submitted to the municipal officers within 30 days of the council's vote pursuant to subparagraph (2), the article voted on by the council must be submitted to the legal voters in the next regular election or a special election called for the purpose. The election must be held within 45 days of the submission of the petition. The election must be called, advertised and conducted according to the law relating to municipal elections, except that the registrar of voters is not required to prepare or the clerk to post a new list of voters and absentee ballots must be prepared and made available at least 14 days prior to the date of the referendum. For the purpose of registration of voters, the registrar of voters must be in session the secular day preceding the election. The voters shall indicate by a cross or check mark placed against the word "Yes" or "No" their opinion on the article. The results must be declared by the municipal officers and entered upon the municipal records.

Beginning in fiscal year 2010-11, for purposes of this subsection, a school administrative unit does not exceed its maximum state and local spending target if the amount of its budget is below the higher of an amount in excess of 5% over the state and local spending target established for the current fiscal year under subsection 4 or, if the previous year's validated budget exceeded the school administrative unit's maximum state and local spending target under this subsection or a referendum pursuant to section 1486, subsection 3, paragraph G or section 1551, an amount in excess of the school administrative unit's previous fiscal year's budget multiplied by the rate of growth of the amount of the current fiscal year's state and local spending target over the previous fiscal year's state and local spending target.

SUMMARY

This bill allows a school administrative unit to exceed its maximum state and local spending target under the Essential Programs and Services Funding Act by the higher of 5% over the state and local spending target or an amount equal to the unit's previous year's budget multiplied by the rate of growth of the current year's maximum state and local spending target over the previous year's maximum state and local spending target without having to have the amount approved by referendum. This bill creates new referendum language for a school administrative unit that exceeds its maximum state and local spending target.